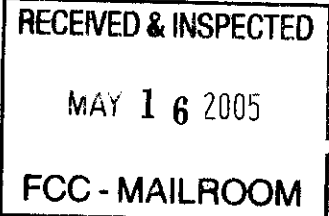


Equity Broadcasting Corporation

May 11, 2005

The Honorable Joe Barton
United States House of Representatives
2109 Rayburn House Office Building
Washington, DC 20515-4306



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Dear Representative Barton:

As President of Equity Broadcasting Corporation, owner of over 30 full power television stations and 80 Class A and low power television stations across the country, including Texas, I support your efforts to quickly convert television stations to digital only operations. However, we need Congress' help in correcting a serious regulatory problem that is a major obstacle to the digital conversion, the refusal to require broadcast satellite systems to carry digital-only television stations.

We are one of the fastest-growing television groups in the country and are one of the largest Univision network affiliates. We are growing principally by building new television stations rather than buying existing stations. Since many of our stations are new, they do not have a second channel for digital operation and must choose between analog-only and digital-only operation. We are anxious to move into the digital world and have converted single-channel analog stations to digital before we were required to do so by the FCC. However, we face a major roadblock because of the Federal Communications Commission's continued delay in enacting the "local-into-local" requirements for carriage of local digital stations by satellite carriers.

Digital-only television stations have mandatory carriage rights for their primary digital signal on cable television stations systems. For a station that cannot reach analog receivers without some kind of converter in the home, the right to cable carriage is obviously essential to the station's ability to survive at this early stage of the digital transition, when digital receiver penetration is still small and the only kind of converter with any significant penetration is the cable box.

There is no parallel digital must-carry right on broadcast satellites. In 2001, the FCC began seeking comment on issuing similar rules for satellite carriage of digital television stations. See *In the Matter of Carriage of Digital Television Broadcast Signals*, 16 FCC Rcd 2598, at para. 136. It is now four years later, and the FCC has yet to take any action. As the number of satellite subscribers continues to grow, the absence of satellite carriage is becoming an increasingly serious economic disincentive to convert to digital and is forcing my company to reevaluate its plans for an aggressive expansion into digital operations. In essence, we and others are being penalized for voluntary conversions prior to the mandatory deadline, because we must confront the continued

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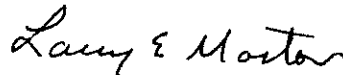
lack of digital television sets on the market with built-in tuners that can receive over-the-air digital signals, and we are being shut out of the satellite distribution system.

For example, last year, Equity built KEYU, Channel 31, a new full power television station that is the exclusive Univision affiliate in the densely Hispanic-populated Amarillo, Texas market. This station went on the air in September 2004 and was digital from the start. Because satellite subscribers account for nearly 26% of the video delivery marketplace in Amarillo, however, we are finding it more and more difficult to compete without satellite carriage. We have a 26% handicap coming out of the starting gate, on top of the burdens of being a new station having to build from an audience of zero.

In the Salt Lake City market, we built KCBU, Channel 3, as a new analog station in 2003. We converted voluntarily to digital operation in July 2004. However, with the station not on satellite and the satellite subscriber rate nearing 30 percent, we have been forced to apply to the FCC to convert the station back to analog in order to remain financially viable. That kind of backward move is surely not what Congress or the FCC desires in continuing the push to digital broadcast operations.

We seek your help in resolving this growing problem. Please urge the FCC to enact satellite carriage rules for digital stations, and if necessary, include an appropriate provision in your transition legislation, so that the marketplace may fully realize the benefits, and innovations, of a truly digital broadcast world.

Sincerely,



Larry E. Morton
President

cc: Chairman Kevin J. Martin, FCC
Commissioner Kathleen Q. Abernathy, FCC
Commissioner Michael J. Copps, FCC
Commissioner Jonathan S. Adelstein, FCC
Rick Chessen, Esq. FCC